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Premier de Gasperi handed in the resignation of his Cabinet on Tuesday, May 13, shortly before he was to appear before the Assembly to urge a broadening of the Italian Government. This step was necessary, de Gasperi said, because of the statement issued by the Socialists on May 12 expressing reservations to the policy he outlined to the Italian Cabinet earlier in the day.

The Socialist statement, as reported by Radio Rome, declares that the Socialist Party Executive and Parliamentary group heard a report by the Socialist Ministers on their "reservations" at Monday's Cabinet meeting to the "political crisis virtually opened by the Premier," who is accused of "an attempt to shift the political equilibrium of the Government, thus increasing its inefficiency at a moment when the economic and monetary situation of the country imposes the implementation of the program agreed upon." The statement concludes by asserting that the Executive and the Parliamentary group entirely agreed with the reservations. (Italian Home Service, May 12, 1947)

At 12:45 p.m. Tuesday (Italian time) de Gasperi told the Cabinet that after the Socialist statement "he can no longer carry out the mandate of the Cabinet to address the Constituent Assembly" and he would resign, thus climaxing weeks of negotiations with Center and Right Groups about the possibility of participating in a broadened Cabinet which would represent a Government of national unity. (Rome, ANSA, May 12, 1947)

At the Cabinet meeting at which he announced his resignation, de Gasperi is reported also to have referred to an editorial in Tuesday's edition of the Socialist organ AVANTI to the effect that a broadening of the Government, as de Gasperi understood it, "would mean the paralysis of the Government, and the doom of parliamentarianism." As a result, de Gasperi felt that "the interest of clarification and the spirit of collaboration" would be better served by the Cabinet's resignation "thus opening the way to consultation of all the parliamentary groups." After Socialist Ministers Romita and Cacciato denied that their Party was responsible for the crisis, de Gasperi cited the article in Tuesday's Communist paper, UNITA, which said that the Premier's scheduled statement to the Assembly would be "personal, and not in his capacity as Premier." (Rome, ANSA, May 13, 1947)

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In a statement to the journalists Cacciatore declared that de Gasperi "attempted to throw responsibility for the crisis on our Party," a responsibility that the Socialists would not accept, since they had already voiced their reservations to broadening this Government when de Gasperi first broached the subject in his last broadcast. Communist Minister Serumi tells the press that the Communist members of the Cabinet have informed the Premier that "on principle they thought that de Gasperi could still make his report to the Assembly." When interviewed by correspondents after handing in the Cabinet's resignation, de Gasperi contended that the Cabinet had authorized him to support in a speech before the General Assembly a report by Campilli and Morandi "of a general nature, analyzing the country's economic situation and appealing "for a wide basis with the collaboration of those forces which I deemed necessary to overcome the serious but not insurmountable situations. There were reservations, but not of a character to affect my mandate."

When asked whether Italy would follow France's example and exclude the Communists, de Gasperi said that "he had no forecasts to make but this had not been his intention." (Rome, ANSA, May 13, 1947)

The thinking of the left Socialist leader Nenni (a minority of the Socialists under the leadership of Saragat is anti-Communist-Ed.) is indicated by an interview he granted to a correspondent of the Rovigno GAZZETINO DEL LAVORO. Nenni charges that the crisis is "an attempt of the right to postpone the solution of many problems," and he says that "the elections already arranged for October ought to take place."

Turning to the international scene, Nenni does not believe that war between the United States and the Soviet Union is possible and he compares the present disagreement with the differences between England and France that arose after the first World War. But he adds: "Should this conflict materialize, we Socialists would say that it ought not to interest us. The blood of Italian youth ought not to be shed on the battle fields. Though our culture and habits are of a western character, our sympathies go out to the East, and not only to Russia but also to Poland and the other states of the East." (Rome, ANSA, May 12, 1947)

The Yugoslav News Agency quotes Nenni as saying in a speech at Milan that "it should be clear to every progressive person in America; that the Italians cannot pay for bread and coal with national and political slavery." Speaking on domestic affairs, Nenni stressed that the "speedy and firm carrying out of the land reform and the nationalization of large industrial enterprises" are necessary and would be the main points in the Socialist election platform in the October elections. (Belgrade, TINYUG, May 13, 1947)

After the Government's resignation, the Socialist Parliamentary group, with Nenni in the chair, decided to issue a public statement which declared that the crisis "was started by Premier de Gasperi with his broadcast of April 28 which was based on a complete lack of confidence in the foundation on which the third de Gasperi Government had been set up in its majority and its program." The Socialists claim that their attitude was made known to de Gasperi in good time and he was called upon to implement the Government's program and "impose discipline on everybody, especially the privileged classes whose desertion before the sacrifices necessary for the country's reconstruction was one of the main causes of the present chaos." In forming a new Government the Socialists call for the respect of the "democratic will of the people, as expressed on June 2. (Rome, ANSA, May 13, 1947)

The Communist Parliamentary group in its public statement accuses de Gasperi of helping "to increase political uncertainty and confusion by opening a Government crisis in a nonconstitutional and politically dangerous and inconvenient manner." The statement adds that "whatever the

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breadth which the people can or want to give to a new Government, the latter should correspond to the democratic structure of the Government expressed by the electoral consultations from June 2 onward."

Former Premier Bonomi in a statement to journalists said of the possibility of his joining a "Government of National unity" that "I myself and Orlando and Nitti--who are as independent as I--might join it." Meanwhile, non-Government parties are also expressing their opinions. The parliamentary group of the PSII--the Saragat Socialists--declares that the Cabinet's resignation is "a threat before the responsibilities which it had to shoulder before the Constituent Assembly" and the "real situation in the country should be publicly known before other parties assume Governmental responsibilities."

A 10-point statement by the Republican Party's Executive declares that the present economic situation can only be overcome by a Government "able to gain the confidence and respect of public opinion" and which would include in it elements of "political leadership and technical experience." Such a Government would be able to overcome "the game of the vested interests, small and great egoisms, and any Party, class, or group maneuvers." (Italian Home Service, May 13, 1947)

De Gasperi winds up the events of May 13 with a speech over the Italian network in which he avoids all mention of the Government's resignation and confines himself to a description of Italy's economic situation which he says he would have given to the Constituent Assembly "had the rules allowed." De Gasperi reveals that the 1947-1948 Italian budget estimates show a deficit of 312 billion lire which could be covered by the internal credit market, provided that there were confidence in Italy's economic revival, which "timorous people and speculators are trying to undermine." Italy thus far has been able "to keep above water" de Gasperi says, thanks to UNRRA aid, the United States repayment of occupation costs, and the international food fund, but the end of Italy's "assisted economy" is approaching and the country can obtain loans and investment from abroad only if she had a reconstruction plan which gives "security to foreign investors."

De Gasperi concludes with an appeal for Italian unity and urges the promotion of emigration and tourism, and reorganization of the Italian merchant fleet. (Italian Home Service, May 13, 1947)

Signor Nitti has been continuing his consultations with Italian political leaders throughout Monday (May 19) and it is expected that he will soon be able to announce the makeup of his Cabinet and its program, says the Italian radio. Prefect de Martino told correspondents, after an interview with Nitti, that the latter would form a government "at any cost." Togliatti, after his meeting, declared that he and Nitti had held detailed discussions on the political composition of the government and its program, and the Communist Party set no conditions with regard to the government's composition. (Rome, ANSA, May 19, 1947)

Nenni made a full statement after calling on Nitti in which he declared that Nitti indicated that the new Cabinet's economic program "will be confined to the requirements of the next few months," and voiced no objections to elections in the autumn. Nenni added that the new government presumably would consist of the present three-party coalition, plus "the so-called little alliance." (Rome, Italian Home Service, May 19, 1947)

Vito Reale, upon leaving Nitti's house, said that "Nitti is determined to form a government and no underground maneuver will succeed in nullifying his efforts in the country's interests." (Rome, ANSA, May 19, 1947)

The Italian Communist Party has made public the text of a telegram by Togliatti to Sumner Welles' reply to charges about receiving money "from a foreign power." The statement says that "the U. S. conquered Fascist Italy. This does not give any U. S. politician the right to insult Italians, whatever their opinions... It is now up to you to give immediate and public

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evidence of this statement. If not, all honest men throughout the world will have the right to consider you a liar and a slanderer." (Rome, ANSA, May 19, 1947)

After transmitting rather optimistic reports on Monday (May 19) regarding Nitti's progress in consulting with political leaders, the Italian radio on May 20 indicated that he was running into difficulty, reporting that the moderate Socialists and the Republicans would not join a Nitti Government, and on Wednesday (May 21) it announced that Nitti had given up his efforts to form a Cabinet.

In its statement of May 20, the Republican Party parliamentary group declared that it could not support Nitti's efforts because his government's indicated structure "would substantially reproduce the inadequacy and inefficiency of the former group." (Rome, ANSA, May 20, 1947)

The PSLI excused itself on the grounds that there were not "sufficient guarantees" of implementing a broad program, and Nitti's program "runs counter to any Socialist principle" because it would "largely affect the working classes."

The Action Party conditioned its adherence to a Nitti Government on the creation of a governmental economic agency to carry out the agreed program. (Italian Home Service, May 20, 1947)

The Communist attitude was revealed by Togliatti in an interview with an ANSA correspondent. Togliatti declared that when Nitti was named "the Communists supported him loyally," although "certain groups of the producer categories" seemed to favor Nitti. Togliatti explained that it was his party's principle to collaborate with producer groups "which intended to act democratically and pay attention to the workers' needs." The Communist leader went on to say that the confidence Nitti could inspire in the country was "a positive element and the Communists would be the last to destroy or reject it," and he favored a rapid solution of the crisis and opposed "delaying maneuvers" which he said would not be understood by the country. (Italian Home Service, May 20, 1947)

Efforts to learn why Nitti had given up his mission were unsuccessful, the radio reports say. He told questioners that "he could not take up a controversial attitude at such a moment or speak about things which might delay the solution of the crisis." (Italian Home Service, May 21, 1947)

Orlando was received by President de Nicla i nediately after Nitti's visit and later he began his consultations with party spokesmen. After seeing the leaders of the big parties in the late afternoon Wednesday (May 21), he received the spokesmen of the three "center left" groups in the evening — the SPLI, Actionists, and Labor Democrats. They explained to Orlando that their reason for opposing Nitti was based on the demand that the government's economy policy be carried out by a "homogeneous group" in order to avoid the situation in the past when "existing ideologies had paralyzed the government's action." (Italian Home Service, May 21, 1947)

A statement by the Executive Committee of the Christian Democratic Party declares that in Italy's present economic condition the steps taken to ensure "speedy, direct, U. S. economic aid might give some results," but "the impression must be created at home and abroad that there is a party truce." Accordingly, the statement reaffirms the party's own self-denial in agreeing to the formation of a government by someone other than a Christian Democrat." (Italian Home Service, May 21, 1947)

On May 22 ANSA reported that: "When Orlando left Nitti at 7:40 p.m. he told an ANSA correspondent that negotiations were continuing and that he was on his way to the head of the State who would make the decision.

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"Meanwhile, Vito Reale told journalists that Nitti, invited by Orlando to collaborate with him, would have been delighted to accept but this became impossible when it was evident that this collaboration would have been in conjunction with the 'Little Entente'. He could no more accept this as one of Orlando's Ministers than he could as Premier.

"Orlando left de Nicola at 8:20 P.M. and made the following statement to journalists: 'The difficulties which prevented the formation of a Nitti Government with my collaboration assured from the beginning have ended with the same consequences for the formation of a possible Orlando Government.'

"Orlando went on to say that a cycle had ended. It had begun with an idea for solution of the crisis founded on the names Nitti-Orlando which might have become Orlando-Nitti. He went on to say that 'The difficulties had virtually prejudiced the solution.' Asked whether the head of the State would resume consultations he believed that he would. To questions about the source of the difficulties he said that it was useless to look for causes. The difficulties were objective. He thought that another cycle would open precedent by fresh consultations. He and Nitti had virtually been consulted.

"There will not be further talks with Orlando, Nitti, and De Gasperi as the head of the State has sounded them sufficiently. He will receive Bonomi, Farri, Sforza, Saragat, and the presidents of the parliamentary groups in numerical not alphabetical order; namely, Gronchi, Togliatti, Nenni, D'Aragona, Giannini, Facchinetto, Corbino, Bergonini, Cianca, Grassi, and Mole.

"At Palazzo Giustiniani it is believed that De Nicola will complete his talks by 4:30 p.m. tomorrow devoting half an hour to each throughout the day and that a new mandate to form the Government will be given tomorrow.

"Asked whether he thought a Government of national coalition possible, Orlando said: 'I think it is impossible. It was dead before it was born.' Asked what solution he thought possible he said he thought that a widening of the tripartite basis would be the solution.

"De Nicola will begin his second cycle of consultations tomorrow, receiving Terracini at 9 a.m."

On Monday, May 26, the Italian Home Service reported:

"On the thirteenth day of the Government crisis it may be pointed out that the consultations so far held by de Gasperi have the nature of preliminary soundings only with a view to finding out the intentions of all political groups. There are only scanty hints as to the attitude of those groups. The FSLI, according to d'Aragona, sticks to the requests put forward during the previous consultations. According to Facchinetto and Pacciardi the Republican Party, too, would join a de Gasperi Cabinet only under certain conditions. The probable participation of liberal members in a de Gasperi Government was mentioned by Villsbruna while the Communists, according to Bergonini, Chairman of the joint group, are in favor of a broadening of the government toward the left center with the inclusion of the Liberals, but not their right wing. The Labor Democrats, according to Mole, will give their full support to de Gasperi."

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CENTRAL INTELLIGENCE GROUP

INTELLIGENCE REPORT

COUNTRY Croatia

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SUBJECT Clandestine Croat Station

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ORIGIN

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On April 21, 1947 there was intercepted for the first, and so far only, time a clandestine radio station broadcasting in the Croat language. The broadcast was intercepted [redacted] 25X1 running from 11:00 a.m. to 11:20 a.m. The closing announcement was: "This is radio station Slobodna Seljaka Hrvatske (Free Peasant Croatia). Listen to our broadcasts and spread our news. We will be on the air again tomorrow at 1700." The receiver signal was powerful but reception was poor, due to poor modulation.

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